

Department of Fiscal Services  
Maryland General Assembly

FISCAL NOTE  
Revised

Senate Bill 749 (Senator Hogan, *et al.*)

Budget and Taxation

Referred to Appropriations

Financial Aid to Institutions of Higher Education - University of Maryland  
University College

This amended bill requires the State to provide funding for University of Maryland University College (UMUC). In fiscal 1999, the amount will be 10% of general funds provided per full-time equivalent (FTE) student in the four-year public institutions in the preceding fiscal year multiplied by the number of UMUC FTEs enrolled in Maryland. The percentage increases by 2% each year until it reaches 20% in fiscal 2004.

Fiscal Summary

**State Effect:** No change in FY 1998 expenditures. FY 1999 general fund expenditures increase by \$4.2 million; future year expenditures rise with increased higher education appropriations, increased enrollment, and the bill's increased percentages. Revenues would not be affected.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
GF Expenditures	0.0	4.2	5.2	6.1	7.2
Net Effect	\$0.0	(\$4.2)	(\$5.2)	(\$6.1)	(\$7.2)

Note: ( ) - decrease; GF - general funds; FF - federal funds; SF - special funds

**Local Effect:** None.

**Small Business Effect:** None. The bill would not directly affect small businesses.

Fiscal Analysis

**State Expenditures:** General fund expenditures would increase by an estimated \$4.2 million in fiscal 1999. As depicted in **Attachment 1**, this estimate reflects (1) 10% of the proposed

fiscal 1998 appropriation per full-time equivalent (FTE) student in fiscal 1998 (\$684); (2) the number of FTEs in fiscal 1998 (70,599); and (3) the number of UMUC FTEs enrolled in Maryland in fiscal 1998 (6,144).

Further, the estimate follows the Joseph A. Sellinger model of State aid by assuming that the “four-year public institutions” specified in the bill would not include the University of Maryland at Baltimore, which is primarily a professional graduate school, or the University of Baltimore, which is an upper division school (juniors and seniors only) rather than a four-year institution.

Future year expenditures increase with (1) 3% annual increases in higher education appropriations; (2) the increased percentage applied to the appropriation per FTE; (3) 1.5% annual increases in enrollment at the four-year public institutions; and (4) 0.6% annual increases in enrollment at UMUC.

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**Information Source(s):** Maryland Higher Education Commission, University of Maryland System, Department of Fiscal Services, University of Maryland University College

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